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Bailey West: On time, on budget, on target

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RAILWAY AGE

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Inside

LUTHER S. MILLER

RECESSION—AND REACTION

On July 1, as he issued his company's "flash" report on first-half performance, Chessie System's Hays T. Watkins summed up the current economic picture as "deteriorating and dismal." Just how dismal it is for the railroads is described in our midyear report on the state of the industry (p. 21). Traffic is slumping across the board; around 200,000 freight cars and more than 3,000 locomotives are lying idle.

There is one bright spot in the picture, and it has been an extraordinarily bright one for Chessie. Western Europe has suddenly developed an enormous appetite for Appalachian steam coal. As a result Chessie's export coal loadings were up 57% during the first half, and were largely responsible for the system's excellent financial showing (p. 4).

But like other railroads, Chessie is hurting when it comes to high-rated merchandise traffic. Chessie carried 117,000 fewer cars of this traffic in this year's second quarter than in the corresponding 1979 period.

Chessie's reaction: "To combat the effects of declines in industrial production we are mounting an aggressive advertising and marketing effort in the merchandise areas," says Watkins.

Where it is possible and prudent, Chessie, like other railroads, is cutting back, trying to match maintenance programs with demand. But, says Watkins, "We are determined not to sacrifice the future for the present....For the balance of 1980 we plan to continue roadway maintenance programs at the record levels established at the start of the year. Continuation of these programs, as well as other capital projects, and our ability to adjust equipment programs quickly as economic recovery becomes clearer will keep us in a good position to give our customers the best service possible."

Some other railroads we have talked with are taking a similar stance—among them, Burlington Northern, Southern, and Norfolk & Western. (NW, incidentally, is about to launch its first big major advertising campaign in many years—not a panicky, "stepping into the breach" tactic, explains an NW spokesman, but a long-planned program with the theme, "There's no stopping us.")

These are, of course, strong railroads that are better situated to react positively to negative situations than some others. But the fact that they do react that way may be one reason there's no stopping them.

MERGERS—AND "DISTRESS" AT THE ICC

Darius W. Gaskins, who became chairman of the Interstate Commerce Commission several months ago, has been such an exceptionally perceptive leader, and has steered the commission onto such an eminently sensible course with respect to regulation, that we hesitate to be critical of the man. But a recent comment of his requires comment in return. "I am distressed," said Gaskins, "to see some of the best brains in the railroad industry playing around with the railroad map like kids with a Monopoly Board when there are so many other problems unsolved" (p. 26).

The fact is that these "best brains" in the business—at the Southern, at Santa Fe, at UP, at MoPac, at Chessie, at SCL, at NW, at SP, at BN, at Frisco—have taken the lead for years in resolving those problems, whether technological or operational, that *have* been resolved. The only real complaint is that they have been so busy with these "other problems" that they are just now getting around to taking care of one of the biggest—trimming a bloated industry to fighting size.

RAILWAY AGE

July 14, 1980

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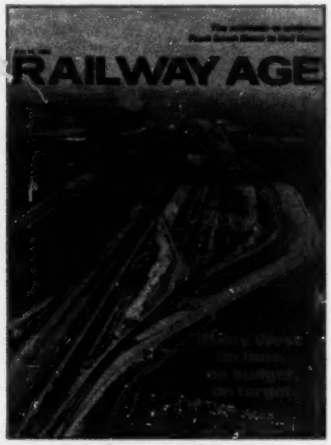

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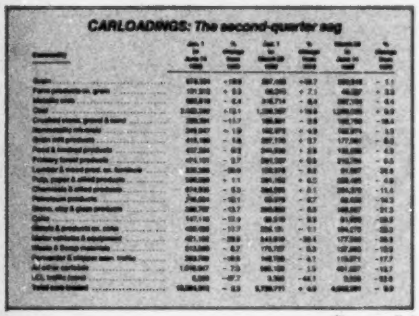

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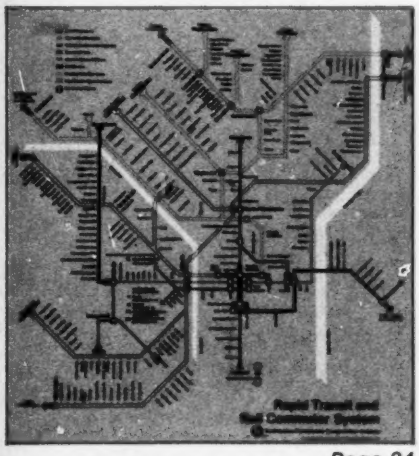

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Completion of the westbound facility makes Union Pacific's Bailey Yard in North Platte, Neb., the nation's largest rail complex. Bailey West, however, is no mirror image of Bailey East, and this article explains how and why they differ.

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This year's first quarter was a good one—but when the recession hit, it hit with a vengeance. Double-digit declines are being posted in merchandise traffic, and suppliers, after a long period of near-record business, are feeling the pinch.

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Consolidation fever could lead to a three- or four-system rail industry, but there are growing signs that some influential people in government, particularly at the ICC, would like to see some cooling off of present activity.

30 One state's struggle to preserve good rail service
Iowa farmers are heavily dependent on good rail service, especially with export markets growing. Moving aggressively to help its railroads, the state recognizes that to retain a healthy system, some lines must be pruned.

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COVER: Aerial view of Union Pacific's new Bailey West yard.

CARLOADINGS: The second-quarter sag

Commodity	Jan. 1 to June 14 1980	% change from 1979	Jan. 1 to March 29 1980	% change from 1979	March 30 to June 14 1980	% change from 1979
Grain	678,334	+19.8	397,428	+40.7	280,948	− 1.1
Farm products ex. grain	101,912	+ 5.3	55,315	+ 7.1	48,597	+ 3.3
Metallic ores	683,818	− 6.4	316,714	− 6.4	367,104	− 6.4
Coal	2,605,382	+13.1	1,339,357	+19.6	1,266,025	+ 6.9
Crushed stone, gravel & sand	329,391	−11.7	166,601	− 2.6	162,790	−19.4
Nonmetallic minerals	345,847	+ 1.9	182,873	+ 4.8	162,974	− 1.2
Grain mill products	415,169	− 1.8	237,178	+ 3.7	177,991	− 8.3
Food & kindred products	437,234	− 0.3	244,638	+ 2.8	192,596	− 4.0
Primary forest products	474,101	− 2.7	261,307	+ 0.5	212,794	− 6.5
Lumber & wood prod. ex. furniture	225,383	−20.0	133,576	− 8.2	91,807	−32.6
Pulp, paper & allied products	509,588	+ 1.1	281,163	+ 6.5	228,425	− 4.8
Chemicals & allied products	674,935	− 5.3	380,565	+ 0.1	294,370	−11.4
Petroleum products	146,004	−10.1	83,976	− 6.7	62,028	−14.3
Stone, clay & glass products	369,707	−13.7	200,850	− 6.0	168,857	−21.3
Coke	147,116	−17.4	85,516	− 9.3	61,600	−26.5
Metals & products ex. coke	420,430	−11.7	236,157	− 1.1	184,273	−22.3
Motor vehicles & equipment	421,152	−29.6	243,619	−23.4	177,533	−36.5
Waste & Scrap materials	313,590	− 6.7	175,727	− 0.3	137,863	−13.8
Forwarder & shipper assn. traffic	263,799	−10.5	148,728	− 4.1	115,071	−17.7
All other carloads	1,016,647	− 7.3	565,120	− 1.5	451,527	−13.7
LCL traffic (cars)	5,333	−47.7	3,303	−44.1	2,030	−52.6
Total cars loaded	**10,584,912**	**− 2.3**	**5,739,711**	**+ 4.0**	**4,845,201**	**− 8.9**

The railroads at midyear:

From boom times to bad times

Transportation historians may well look back on 1980 as a watershed year—the year that saw Congress finally free the railroads of many of their regulatory shackles; the year that saw a massive merger movement begin to reshape the industry into a hard and prosperous core of half a dozen major systems.

But if the railroads' long-term prospects have rarely been brighter, the short-term picture for both railroads and their suppliers is one of gloom.

After an unexpectedly strong first quarter, traffic has started to slide. Revenue carloadings, up 4% in the first quarter, were down 9% in the first 10 weeks of the second quarter—a 13% shift in an industry that loses around $25 million on a 1% drop in traffic. Only coal and farm products continued to outperform year-earlier levels—and even coal, the biggest single commodity in the traffic mix and the one widely regarded as recession-proof, was slipping (see table). Grain, after posting a 41% gain in the first three months, slid at least temporarily into the deficit column. The heavy losers in the first quarter—stone, gravel, and sand; lumber and wood products; petroleum products; coke; metals; motor vehicles and equipment—were heavier losers in the opening weeks of the second quarter.

Piggyback traffic has been particularly disappointing. With rising fuel prices, railroads have looked to piggyback to win traffic back from the highways. But piggyback loadings for this year's first 24 weeks were down 8.1% from 1979; for the week ended June 14 they were down 15.1%.

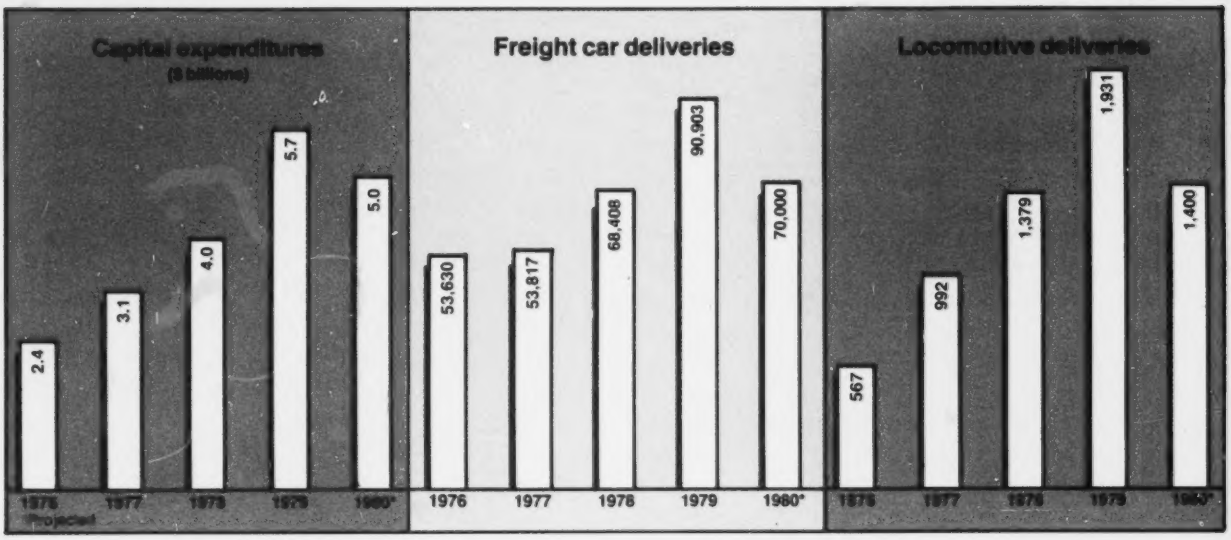
If the downturn gets no worse, most railroads are cushioned against any real financial shock: Freight rates are 12% above year-ago levels, and new increases are pending at the ICC. But costly, idle equipment is another matter.

● **Empty cars, idle locomotives.** On July 1, around 200,000 freight cars out of a total fleet of 1,700,000 were empty and not moving. Estimates of the number of locomotives in storage, out of a fleet of 28,400, ranged from 3,000 to 5,000.

Not surprisingly, there was no great enthusiasm for repairing bad-order equipment. "That would be like putting your savings into a checking account," observed AAR Executive Vice President Richard E. Briggs.

Thousands of shop workers have been laid off. Chessie furloughed 741 at Raceland, Ky. Norfolk & Western laid off 1,464 systemwide, citing a 24% drop-off in merchandise traffic; NW hopes to recall most of them in August "when the summer slump is over." Burlington Northern, whose traffic has held up relatively well, spurred by continuing strong coal movements, laid off 300 systemwide. But Conrail, with traffic down around 20% across the board, furloughed nearly 2,000 workers, including 275 at its Altoona, Pa., shops where work on an order for 2,000 gondolas was suspended after 520 had been built.

● **Cancellations.** The Conrail car cancellation is not the only one. It's estimated that orders for 25,000 to 30,000 new cars have been cancelled since Jan. 1—partly due to declining traffic, but largely due to the fact that many more cars were



ordered in the last two years than the industry really needed, as outside investors poured money into the market in an effort to reap fast benefits from high per diem equipment. The American Railway Car Institute in its most recent tally still reported 92,000 cars on builders' backlogs, down from 120,000 a year ago. Informed industry sources believe this figure may be about 20,000 cars too high. "We've had a lot of new people come into this business who sometimes report shaky space reservations as firm orders," says one supplier.

Current estimates call for production of 65,000 to 70,000 new cars this year, down from 90,000 in 1979, and 1,400 new and rebuilt locomotives, down from 1,900 last year. This is a sharp downward revision from early-year estimates of 85,000 cars and 1,900 locomotives.

One carbuilder that six months ago was anticipating production of 23,000 cars this year has now cut its estimate to 14,000. Freight car castings, which were in such short supply a year ago that builders were buying them offshore at premiums of $1,000 per carset, are now in oversupply. One castings manufacturer is planning its first major layoffs in nearly 20 years.

● **Weathering the storm.** If there's a bright spot in the picture, it is provided by the fact that both railroads and their suppliers are in better shape to ride out stormy financial weather than they have been in for several years.

Last year Class I railroads as a group earned $813.9 million in net income, their best showing since 1966. The rate of return on net investment climbed to 2.68%, highest since 1974's 2.70%. In this year's first quarter—thanks to a mild winter, higher freight rates, strong grain and coal traffic, and stronger than anticipated merchandise traffic—the railroads netted $274 million, up from $49.1 million in the comparable 1979 quarter. The rate of return for the 12 months ended March 31 was 3.6%, up from 2.4% a year ago.

This prosperity spilled over into the supply field. Freight car production last year was the highest in 22 years. Locomotive production was at a 26-year high. Sufficient new business is already firmly committed that calendar year 1980 will also be a good one for most suppliers. "We won't really start hurting until 1981," says one component manufacturer, who is forecasting that freight car production next year will drop to 40,000.

● **A well-timed recession.** Most railroads are reexamining their capital budgets, though no major cutbacks have so far been announced. In a time of short-term stress, long-term needs aren't being forgotten. BN, for example, says that while it may trim its overall budget, equipment orders won't be affected. The AAR's Briggs estimates that total capital spending this year—by railroads as well as nonrailroad purchasers of equipment—will drop to $5 billion from the $5.7 billion actually spent in 1980.

"Fortunately," says Briggs, "this recession finds us in a good position to cut back on expenditures. We certainly have an ample supply of equipment. And we have invested sufficiently heavily in track in the last four or five years that we can cut back without doing ourselves any real harm."

● **Good news from Washington.** In addition to the recession, which was both later and deeper than anticipated, the year has produced other surprises. These have come from Washington, and for the most part they have been pleasant surprises.

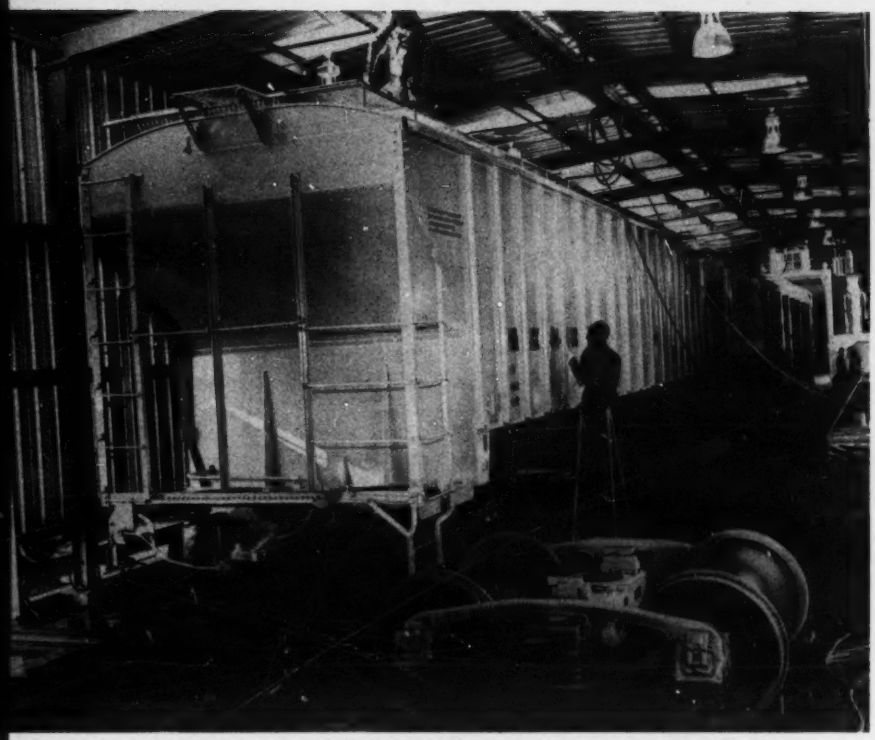
As one observer of the federal scene puts it: "Washington seems to have been working hard this year to surrender its claim as the seat of power in the railroad industry."

At midyear, the ICC had a fistful of pending proceedings designed to loosen the agency's powers in such areas as ratemaking, car service orders, and freight car per diem payments. Meanwhile, the Senate and the House were ready to sit down and work out differences in rail deregulation bills that are more to the industry's liking than anyone thought possible just six months ago. The final bill will probably make 1980 an even greater milestone for rail legislation than the landmark years 1973 and 1976. In both the regulatory and legislative arenas, the surrender of federal power has been vigorously pushed by the Carter Administration.

Almost every announcement from the ICC in 1980 has been of a further initiative to strip itself of regulatory authority. The commission is considering proposals to open up a zone of reasonableness within which rates could be increased without challenge; to limit its definition of market dominance; to liberalize rules governing demand-sensitive pricing; and to clear away many of the remaining barriers to contract ratemaking. Like Congress and the Carter Administration, the ICC has been prodding railroads to shift from general rate increases to independent action.

The ICC is also studying proposals to ease its car service rules and put more flexibility into the per diem payment program. One long-standing proposal would eliminate the incentive per diem program entirely.

● **Getting ready for deregulation.** The current of reform at the ICC has been particularly strong since Darius Gaskins became chairman and is due partly to a perceived need to prepare for new deregulation legislation. The commission admits that it was slow to follow up on



In a declining freight car market, demand for covered hoppers remains high. Above, one of 900 cars Ingalls Shipbuilding has built for North American Car at Pascagoula, Miss.

provisions of the 4R Act of 1976; in 1980 it wants to be ready.

At the beginning of 1980, it was uncertain whether Congress would be able to overcome overwhelming obstacles to regulatory reform and pass any rail deregulation bill at all. Now the big question is how Congress will resolve the differences between the Senate's bill and a more sweeping House bill. Both bills have won the support of the railroads, though the House version has been preferred because it would allow greater ratemaking freedom.

The Senate bill passed April 1 with a maximum-rate compromise that leaned toward the railroads. Shippers, especially coal shippers, were not particularly happy with the new freedom railroads would have to raise their rates, but they turned around and supported that compromise against the stronger House bill.

Six months ago there was a serious split within the railroad industry that threatened to eliminate any reform of the joint rates process, generally considered essential to effective deregulation. On April 21, the ICC struck down some unilateral surcharges imposed by Conrail in its own attempt to get out of unprofitable joint routes. By that time, however, Conrail had reached agreement with the Southern—leader of the antisurcharge bloc—on compromise legislation that would allow a carrier to apply a surcharge to a joint route in order to obtain 110% of its variable costs and make it easier to cancel unprofitable routes. That compromise has been included in the new legislation, modified slightly by the House in an attempt to appease short-line operators who feared being frozen out of existing agreements.

● **New Northeast alternatives?** The federal government is not withdrawing entirely from the railroad business—certainly not in the Northeast, where Conrail, having drawn down the last of an existing $3.3-billion loan authorization, is now thinking about going back to Washington for more. As Conrail itself began to sound less optimistic about its prospects, there were stirrings in Washington about exploring new alternatives.

A study released earlier in the year by Congress examined the possibility of letting other carriers enter the Northeast to compete with Conrail through trackage rights. The House version of the rail deregulation bill included a provision that would clear the way for transfer of Conrail property to other railroads—an option considered in a study of New England railroads prepared for the United States Railway Association. In June, USRA announced it would undertake a new study of its own, using recessionary economic data to assess Conrail's prospects and the alternatives for the Northeast.

USRA survived a threat to its own existence early this year when the Carter Administration pushed a proposal to turn USRA's Conrail-monitoring function over to the Department of Transportation, to turn its handling of the Penn Central bankruptcy settlement over to the Department of Justice, and to disband the agency. This idea found some favor in the Transportation Subcommittee of the House Committee on Interstate and Foreign Commerce, chaired by Rep. James Florio (D.-N.J.), but it was rejected by Florio's Senate counterpart, Howard Cannon (D.-Nev.). The salvation of USRA was another blow against more direct federal involvement in the industry, or so it seemed to those who argued that USRA provided a contraceptive layer preventing the outright nationalization of Conrail.

At any rate, Florio and Cannon were trying to work out a compromise Rock Island labor protection bill and did not care to squabble over USRA. Florio had insisted on including Amtrak's Northeast Corridor and "emerging corridor" legislation with a Rock Island package; Cannon finally agreed to an additional $750 million for completion of the Northeast Corridor Improvement Project, insisting that this was the bottom of the cash barrel for NECIP; but he cut funding for advance equipment-purchase authorization and study of future Amtrak corridors from $105 million to $63 million. Cannon and Florio were also shepherds of the rail deregulation bills through their respective chambers, and they will have much to say about the final shape of the bill.

● **Burdens removed.** As part of a general housecleaning within the federal bureaucracy, the Federal Railroad Administration in April presented new freight car and locomotive standards which, among other things, did away with a requirement for periodic freight car inspections that the railroads considered burdensome and unnecessary. Meanwhile, the FRA bowed to pressure and withdrew proposed rules that would have required expensive upgrading of much track to passenger train speeds.

Some not-so-pleasant news from Washington is that coal slurry legislation is once again making its way through Congress. A bill that had been passed by the House Interior Committee came out of the Public Works Committee June 19 on a 25-22 vote. That bill would give slurry pipeline builders the right of eminent domain, but only across railroad property. A floor vote will probably come some time this summer. In the Senate, Dale Bumpers (D.-Ark.) has held hearings on a coal slurry bill, but the Energy Committee has not yet marked up the legislation. ■

A RAILWAY AGE SERVICE PAGE

REVENUES AND EXPENSES OF RAILWAYS

First quarter figures of calendar year 1980

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

		Operating revenues				Operating expenses															
						Maint. of way & structures			Maint. of equipment												
		Freight	Other	Total 1980	Total 1979	Total 1980	Total 1979	Deprec.	Total 1980	Total 1979	Deprec.	Total 1980	Total 1979	Operating ratio 1980	Operating ratio 1979	Income after fixed charges 1980	Income after fixed charges 1979	Net Ry. operating income	Net income 1980	Net income 1979
Amtrak	3 mos.	—	256,477	256,477	78,087	16,492	16,513	369	81,737	62,371	12,725	265,311	233,115	103.44	298.53	(15,676)	(12,804)	(8,834)	(15,676)	(12,804)
Atchison, Topeka & Santa Fe	3 mos.	498,828	12,589	511,416	404,675	79,616	67,715	3,142	114,634	90,720	18,912	479,782	374,744	93.81	92.60	26,651	26,868	25,619	20,383	22,563
Baltimore & Ohio	3 mos.	222,967	9,183	232,149	200,554	32,400	28,616	1,683	57,934	50,661	6,904	216,616	194,564	93.30	97.01	12,176	5,221	12,174	8,631	4,804
Bessemer & Lake Erie	3 mos.	17,253	1,850	19,103	18,635	4,222	2,641	690	4,953	4,196	1,189	20,294	16,858	106.23	90.46	169	2,285	(982)	379	1,237
Boston & Maine	3 mos.	26,345	1,599	27,944	25,153	7,460	5,162	276	7,791	7,750	603	31,052	26,453	111.12	105.16	(2,524)	(1,018)	(3,048)	(2,727)	(1,221)
Burlington Northern	3 mos.	654,832	25,035	679,867	494,228	94,348	82,745	5,214	144,031	121,865	16,511	601,319	477,944	88.44	96.70	95,999	31,876	59,015	76,445	40,393
Chesapeake & Ohio	3 mos.	198,841	8,747	207,588	171,634	31,240	25,676	1,490	50,626	46,496	3,272	193,327	171,596	93.13	99.97	26,864	7,012	8,502	21,046	6,814
Chicago & North Western	3 mos.	192,820	21,218	214,039	154,236	37,415	37,980	904	54,881	54,798	4,503	210,083	187,197	98.15	121.37	1,922	(37,827)	3,953	1,885	(37,864)
Chicago, Milwaukee, St. Paul & Pac.	3 mos.	93,319	13,130	106,449	93,540	42,954	20,267	1,042	43,135	48,781	4,960	163,724	139,512	153.80	149.14	(38,486)	(43,881)	(57,235)	(40,845)	(43,881)
Clinchfield	3 mos.	19,090	316	19,406	14,774	3,487	3,737	107	3,011	3,567	919	14,905	13,885	76.80	93.97	—	75	4,941	—	—
Colorado & Southern	3 mos.	28,746	853	29,599	19,430	4,605	3,484	58	7,355	5,048	708	26,891	17,097	90.85	87.99	7,321	7,060	4,065	8,679	7,397
Conrail	3 mos.	802,792	163,143	965,935	858,850	147,319	164,983	3,119	280,004	281,540	22,265	1,044,844	996,489	108.16	116.02	(79,867)	(136,899)	(77,901)	(79,019)	136,504)
Delaware & Hudson	3 mos.	28,058	614	28,672	22,861	4,294	3,884	154	8,814	7,580	404	29,404	24,403	102.55	106.64	(1,600)	(2,277)	(737)	(1,600)	(2,277)
Denver & Rio Grande Western	3 mos.	67,545	1,258	68,803	56,248	11,431	10,824	600	11,419	9,497	2,771	59,809	48,431	86.92	86.10	7,758	8,262	6,434	5,164	5,642
Detroit, Toledo & Ironton	3 mos.	19,393	1,173	20,566	22,165	2,360	2,507	175	5,864	5,614	470	19,558	18,700	95.09	84.28	883	3,368	1,020	883	3,368
Duluth, Missabe & Iron Range	3 mos.	15,172	448	15,620	16,268	6,224	4,675	1,066	(141)	2,785	682	15,182	17,364	97.20	106.73	1,440	(728)	(68)	907	(620)
Elgin, Joliet & Eastern	3 mos.	18,551	12,710	31,258	35,721	3,375	4,102	179	5,110	6,524	1,057	26,237	29,182	83.93	81.69	7,154	7,613	1,741	3,874	4,029
Florida East Coast	3 mos.	22,135	751	22,886	18,977	4,791	3,995	223	3,476	2,711	975	17,505	14,398	76.48	75.86	6,181	5,774	2,995	3,795	3,925
Ft. Worth & Denver	3 mos.	30,415	882	31,297	20,714	4,542	2,391	66	6,932	4,585	132	24,199	15,163	77.32	73.20	7,070	5,712	4,480	4,452	4,899
Grand Trunk Western	3 mos.	49,444	3,969	53,413	49,622	5,336	5,655	409	13,779	15,363	1,310	52,393	52,090	98.09	104.97	1,609	(2,229)	1,017	1,609	(2,229)
Illinois Central Gulf	3 mos.	229,325	19,355	248,680	183,667	37,287	33,590	1,674	65,027	56,893	7,030	235,598	201,391	94.73	109.65	6,400	(24,015)	12,697	5,455	(24,387)
Kansas City Southern	3 mos.	62,497	4,491	66,989	50,252	10,826	9,310	626	15,207	11,507	3,213	57,266	44,864	85.48	89.27	9,346	5,035	7,255	6,846	4,238
Long Island	3 mos.	4,962	79,464	84,426	70,354	17,604	17,194	839	19,410	17,365	1,303	89,353	77,676	105.83	110.40	(5,127)	(7,504)	(3,857)	(5,127)	(7,504)
Louisville & Nashville	3 mos.	256,377	7,380	263,757	221,053	41,306	37,313	1,437	67,038	63,999	9,259	253,649	220,761	96.16	99.86	6,554	(10,799)	10,648	6,084	(10,964)
Missouri-Kansas-Texas	3 mos.	46,935	2,925	49,860	36,510	6,340	7,839	276	15,009	10,009	738	47,037	36,892	94.33	101.04	1,244	(2,008)	3,324	1,744	(573)
Missouri Pacific	3 mos.	386,332	12,477	398,809	324,154	46,560	50,479	2,428	94,476	76,526	14,505	348,541	284,216	87.39	87.67	42,298	32,886	39,558	29,226	22,455
Norfolk & Western	3 mos.	355,130	12,012	367,142	323,929	46,120	40,653	3,280	73,072	58,505	13,302	296,365	255,445	80.72	78.85	78,080	69,777	42,351	48,383	46,157
Pittsburgh & Lake Erie	3 mos.	17,338	1,581	18,920	15,261	2,788	2,660	31	1,090	2,584	458	14,536	14,531	76.83	95.22	1,270	690	3,980	863	797
St. Louis-San Francisco	3 mos.	124,968	4,032	129,000	101,125	20,388	16,428	876	28,497	24,360	3,512	114,782	94,275	88.97	93.22	11,185	2,941	11,836	8,447	2,139
St. Louis Southwestern	3 mos.	67,195	861	68,056	62,161	8,986	10,056	352	9,227	9,529	6,154	56,564	49,329	83.11	79.35	10,039	13,467	8,949	7,494	13,045
Seaboard Coast Line	3 mos.	292,652	9,519	302,172	246,901	48,045	41,661	2,229	69,966	57,999	8,587	273,633	219,575	90.55	88.93	40,887	20,481	26,268	38,527	20,411
Soo Line	3 mos.	78,583	1,592	80,175	58,471	10,062	9,445	320	15,924	13,769	1,960	63,404	55,166	79.08	94.34	16,771	3,959	11,254	10,987	2,145
Southern	3 mos.	390,694	10,292	400,985	337,711	64,394	61,022	5,199	73,619	64,428	18,299	325,395	276,610	81.14	81.90	74,757	48,800	53,261	51,214	35,836
Southern Pacific	3 mos.	481,084	16,342	497,426	441,780	62,623	67,784	4,792	132,429	120,056	19,574	502,299	424,569	100.97	96.10	(9,449)	22,523	(1,727)	(6,687)	22,041
Union Pacific	3 mos.	468,251	9,231	477,482	400,842	77,535	57,662	2,743	92,769	78,518	22,505	417,875	335,396	87.51	83.67	47,967	56,663	47,029	35,423	39,034
Western Maryland	3 mos.	18,152	1,393	19,545	17,031	4,052	2,765	144	3,381	3,581	1,108	18,813	15,062	96.25	88.43	1,028	2,555	256	545	1,729
Western Pacific	3 mos.	42,309	672	42,981	36,586	5,025	5,291	86	9,692	8,627	1,702	41,944	35,479	97.58	96.97	816	638	920	650	—

Market

CARLOADINGS

Loadings of revenue freight in the week ended June 21 totaled 448,567 cars, according to the Association of American Railroads. This was a decrease of 54,312 cars, or 10.8%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended June 21 are estimated at 18.3 billion, a decrease of 4.2% below the corresponding week of 1979.

REVENUE FREIGHT CARLOADINGS

Commodity	June 21 week	June 14 week
Grain	29,318	27,461
Farm products	4,692	4,588
Metallic ores	35,017	33,245
Coal	120,431	122,945
Crushed stone, gravel & sand	15,002	15,853
Nonmetallic minerals	17,261	16,273
Grain mill products	16,358	16,982
Food and kindred products	17,976	18,027
Primary forest products	20,697	20,794
Lumber & wood products (except furniture)	9,105	8,598
Pulp, paper & allied products	20,582	20,676
Chemicals & allied products	25,077	25,597
Petroleum products	5,377	5,579
Stone, clay & glass products	14,736	15,347
Coke	4,754	4,730
Metals & products	14,123	14,845
Motor vehicles & equipment	15,850	16,128
Waste & scrap materials	10,582	11,257
Forwarder & shipping assn. traffic	10,336	9,919
All other carloads	41,097	41,256
LCL traffic	196	184
Total cars loaded	**448,567**	**450,284**
Cumulative total, 25 weeks	1980 **11,033,479**	1979 **11,341,481**
Estimated revenue ton-miles (billions) 25 weeks	**444.8**	**426.5**

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended June 14 totaled 31,740 cars (15.1% below the corresponding 1979 week) and 58,758 trailers or containers (down 10.1% from 1979). Cumulative volume for the first 24 weeks of 1980 is 785,046 cars (down 8.1% from 1979) and 1,425,714 trailers or containers (down 5.6% from 1979).

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the ten-day period ended May 31 totaled 8.3 million tons (up 8.3% from 1979). Cars totaled 117,641 (up 3.8% from 1979). Cumulative loadings for 1979 were up to 107.9 million tons (up 6.9% from 1979).

● *Amtrak*.—Directors approved expenditure of $367,000 to expand and remodel the Amtrak station in Austin, Tex. The project includes relocation of Missouri Pacific freight operations to another site and renovation of the existing building for passenger use.

● *Bay Area Rapid Transit District*.—Awarded a five-year, $4-million contract to National Electric Coil unit of the McGraw-Edison Service Group for maintenance and repair of electric traction motors.

● *Chessie*.—Will begin construction this month of a $33-million iron ore transfer and ground storage facility at Toledo, Ohio. The project is being financed by industrial revenue bonds issued by the Toledo-Lucas County Port Authority and guaranteed by the Chesapeake & Ohio. The facility will be owned and operated by a C&O subsidiary and served by C&O, B&O, and Conrail. It will be capable of loading railcars from dockside or from ground storage at the rate of 4,000 tons per hour.

● *Metropolitan Atlanta Rapid Transit Authority*.—Has budgeted $347.3 million for capital outlays in fiscal 1981, the bulk of which, $320.7 million, is earmarked for rapid rail construction.

● *New Jersey Department of Transportation*.—Bombardier-MLW is the apparent low qualifying bidder on 57 push-pull cars to be used on NJDOT's Raritan Valley commuter line, with an option for an additional 50 cars for service on the New York & Long Branch. Bombardier-MLW's bid for the 57 cars was $43,027,660. NJDOT said Budd submitted a bid of $37,991,961, but with exceptions to the specifications; that bid was disqualified. Budd subsequently withdrew the exceptions, according to NJDOT, and indicated it would file suit to try to prevent award of a contract to Bombardier-MLW. The bid of a third company, Vickers Canada Inc., was rejected immediately for failing to meet NJDOT requirements.

● *San Diego Metropolitan Transit Board*.—A $1-million contract has been awarded to WABCO's Union Switch & Signal Division for train control and highway grade crossing equipment for MTB's new light rail transit system (*RA*, June 9, p. 34). Union Switch will supply an absolute block signal system plus 27 grade crossing warning installations including automatic gates and flashing lights. The contract was awarded by Fishback and Moore, Inc.

● *Seattle Tacoma Airport*.—A contract worth $1.375 million has been awarded to Nissho-Iwai (representing Kawasaki of Japan) and Westinghouse Electric for the supply of 12 people-mover vehicles. Kawasaki will manufacture the bodies with final assembly to be done by Westinghouse.